



Headquarters Policy Flash

FLASH 2001-10

DATE: March 19, 2001
TO: Procurement Directors
FROM: Office of Procurement and Assistance Policy, MA-51
Office of Procurement and Assistance Management

SUBJECT: **Federal Acquisition Circular (FAC) 97-22 Delay of Effective Date for Items I, III, IV, and V**

SUMMARY: On March 9, 2001, The Federal Register published (66 FR 14260) a final rule delaying the effective date of Items I, III, IV, and V of Federal Acquisition Circular (FAC) 97-22 issued February 25, 2001, (see Flash 2001-07). The effective date for each of the final rules is now May 11, 2001. The 60-day delay in the effective date is necessary to give agency officials the opportunity for further review and consideration of new regulations, consistent with the January 20, 2001, memorandum from the Assistant to the President and Chief of Staff, entitled "Regulatory Review Plan," published in the Federal Register on January 24, 2001.

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The following is a summary of each of the attached final rules.

I. Definitions (FAR Case 1999-403).

Applicability: *Applies to solicitations issued on or after May 11, 2001.*

The final rule clarifies the applicability of definitions used in the FAR; eliminates redundant or conflicting definitions, and makes definitions easier to find.

III. Advance Payments for Non-Commercial Items.

Applicability: *Applies to solicitations issued on or after May 11, 2001.*

The final rule amends the FAR to permit federally insured credit unions, in addition to banks, to participate in the maintenance of special accounts for advance payments.

IV. Part 12 and Assignment of Claims.

Applicability: *Applies to solicitations issued on or after May 11, 2001.*

The final rule amends the FAR to correct an inconsistency between two clauses related to the assignment of claims.

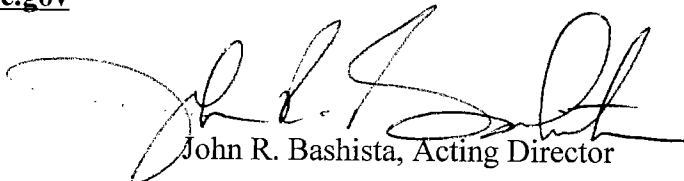
V. Clause Flowdown-Commercial Items.

Applicability: *Applies to solicitations issued on or after May 11, 2001.*

The final rule amends the clause at FAR 52.244-6, Subcontracts for Commercial Items, to revise the listing of clauses the contractor must flow down to subcontractors.

The March 9, 2001, Federal Register Final Rule can be downloaded from the ARNet website at: <http://www.arnet.gov/far/mailframe.html> Federal Acquisition Circulars/Federal Register.

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cc: PPAG Members